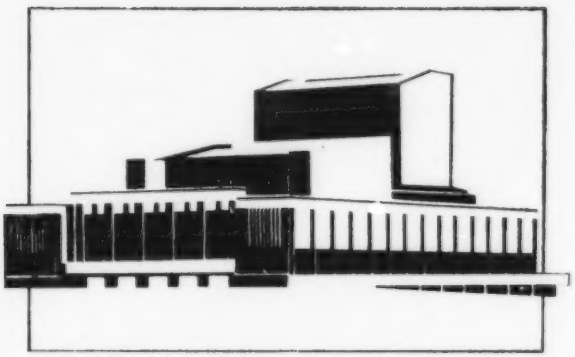


ANNUAL REPORT 1990 - 1991

Saskatchewan
CENTRE of the ARTS

92-05986/

Saskatchewan CENTRE of the ARTS

200 Lakeshore Drive
Regina, Saskatchewan
S4P 3V7

Telephone:
Administration (306) 565-0404
Box Office (306) 525-9999
Fax: (306) 565-3274

December 2, 1991

Honourable Louise Simard
Minister in Charge
Saskatchewan Centre of the Arts
Room 332, Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Ms. Simard:

In accordance with Section 20 (1) of the Saskatchewan Centre of the Arts Act (Chapter S-10,R.S.S. 1978) I hereby submit the Twenty-first Annual Report on the activities of the Centre for the period from April 1, 1990 to March 31, 1991.

Sincerely,

Gerry Edwards
Chairman of the Board

EXECUTIVE DIRECTOR'S REPORT

The 1990/91 year has been extremely successful at the Centre of the Arts. This year in spite of a lack of touring shows the activity in the Centennial Theatre has been maintained. The conference and meeting events have increased significantly as a result of our marketing efforts and the upgrading of services.

We have been able to accommodate the increased business while controlling our costs. The level of activity in the Centre is expected to continue to grow with the implementation of a client services function, a special events function and a sales function. The challenge in the coming year will be to maintain the quality of service. To this end our training and the guest excellence program has been established to ensure that our staff are prepared to continue to deliver our high quality of service.

The development of our preventative maintenance program with Saskatchewan Property Management Corporation will ensure that the maximum life of our building systems will be in good service and repair through the coming years.

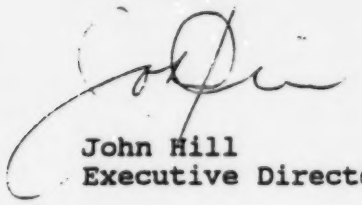
This year saw the conversion of our Box Office system from hard tickets sold in two locations to computerized service in six locations. This will be expanded throughout the province in the coming months.

With the initiation of a development department we have seen a closer liaison with the business sector and we have introduced event sponsorship at the Centre to our corporate friends.

Special efforts to participate with local arts and non profit groups through co-promotional events have resulted in fundraisers, arts conferences, The Children's Festival, The Folk Festival, The Regina Symphony and the Saskatchewan Youth Ballet. The highly successful White Night New Year's Celebration demonstrates for the second year the commitment that the Centre has made to serving the community.

It has been my pleasure to work with a talented group of dedicated people who work long and varied hours to provide enjoyment and entertainment to the people of Saskatchewan. It is our pledge to continue this level of service in the years to come.

Sincerely,



John Hill
Executive Director

CURRENT BOARD OF DIRECTORS

Gerry Edwards
Chairman

Lynda Bowd, Vice-Chairman
Murray Bercovich
Gaylene Diekrager
Darlene Hincks
Lorraine Hinton
Dolores Koch
Susan McNabb
Ida Reid
Larry Richea
Tom Robinson
Keith Rogers

John Hill
Executive Director

Staff

Director of Sales & Marketing	Jim McCrum
Director of Development	Rose Marie Anderson
Controller	Glenn Miller
Executive Chef	Brian Thomas
Bar Supervisor	Earl Potts
Client Services Coordinator	Pat Beanland
Sales Coordinator	Yvonne Benson
Administrative Secretary	Ellen Schneider
Accounting Clerk	Paddy Thompson
Booking Clerk	Pat Hanley
Computer Services Clerk	Lynn Swan
Receptionist/Data Entry	Linda Stirr
Sous Chef	Leo Pantel
Box Office Clerk	Judy Shannon
Box Office Clerk	Marianne Schamber
Stage Carpenter	Harold Vollhoffer
Lighting Tech.	Leo Gara
Chief Engineer	Irvin Gyorfi
Engineer 2	Bob LeClaire
Engineer 3	Wayne Gaillard
Engineer 4	Kevin Fitzer
Utility	Don Ziffle
Security	Jim McMahon
Custodian 1	Juan Asmay
Custodian 2	Tony Haye
Custodian 3	Vacant

(661 Part-time staff)

MISSION STATEMENT AND STRATEGIC GOALS

Mission Statement

To enhance the quality of life of the people of Saskatchewan by providing quality facilities, programs and services for entertainment, educational and cultural activities in a cost effective manner.

Goals

1. To contribute positively to the artistic, entertainment, educational, and cultural communities in Saskatchewan (Southern). To develop a positive relationship with government, media, public and all related organizations.

2. To provide quality facilities and services for entertainment, educational and cultural activities.

3. To actively promote the use of the Centre.

4. To operate the Centre in a fiscally responsible manner.

5. To actively solicit funds from non-government sources to further the objectives/goals of the Centre.

6. To achieve a high level of morale and productivity and to provide opportunity for positive staff development.

CONVENTIONS AND TRADE SHOWS

The Centre's quality convention and trade show facilities are designed to meet the requirements of most conferences, celebrations, and social events.

In addition to providing excellent facilities, the Centre has also established a reputation for providing the best food and beverage services at competitive prices.

Hanbidge Hall and the trade show areas were used for 686 events with an aggregate attendance of 116,018 persons.

Convention and Trade Shows	Events	Attendance
Banquet and Dance	51	16238
Luncheons	38	2993
Weddings/Anniversaries	15	1944
Receptions	57	6037
Conventions	12	9208
Dealer/Trade Shows	40	27324
Dances	87	12991
Meetings/Seminars	373	36122
Miscellaneous	13	3161
Total	686	116018

Report of Operations and Activities

THEATRE

The Centennial Theatre Concert Hall hosted 143 events attended by 132,182 patrons.

Theatre performances offered a wide variety of style and appealed to a wide spectrum of tastes.

Theatre Area	Events	Attendance
Popular	3	4166
Country and Western	5	8495
Folk/Ethnic	9	6669
Symphony	12	16527
Religious/Gospel	12	13398
Rock/Contemporary	6	7962
Jazz/Band/Orchestra	7	6356
Drama/Plays	15	19724
Dance	14	17839
Graduations/Convocations	9	8744
Choral	2	1557
Miscellaneous	49	20745
Total	143	132,182

SASKATCHEWAN CENTRE OF THE ARTS FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 1991

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the balance sheet of the Saskatchewan Centre of the Arts Fund as at March 31, 1991 and the statements of revenue, expenditure and fund balance and changes in financial position for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

W.K. Strelioff

Regina, Saskatchewan
October 11, 1991
Except as to Note 3
which is as of
December 19, 1991

W. K. Strelioff, C.A.
Provincial Auditor

Statement 1

SASKATCHEWAN CENTRE OF THE ARTS FUND

BALANCE SHEET

As At March 31

	1991	1990
ASSETS		
Current:		
Cash	$ 139,549	$ 183,666
Accounts receivable:		
Trade	157,243	121,385
Grant - Family Foundation (a Saskatchewan government department)	---	200,000
Inventory	100,827	99,301
Prepaid Expense	6,097	8,000
	403,716	612,352
Fixed assets (Note 4)	386,575	132,675
	$ 790,291	$ 745,027
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued charges	$ 127,277	$ 120,580
Advance sales and deposits	139,054	354,755
Current portion of long-term loan (Note 6)	62,520	---
Current portion of obligations under capital leases (Note 7)	24,837	11,701
	353,688	487,036
Long-term loan payable (Note 6)	156,220	---
Long-term obligations under capital lease (Note 7)	97,912	50,005
Equity:		
Operating fund balance - Statement 2	(123,723)	(113,095)
Impresario fund balance - Statement 2	306,194	321,081
	$ 790,291	$ 745,027

(See accompanying notes)

Statement 2

SASKATCHEWAN CENTRE OF THE ARTS FUND

STATEMENT OF REVENUE, EXPENDITURE AND FUND BALANCE

Year Ended March 31

	1991			1990
	Operating Fund	Impresario Fund	Total	Total
Revenue:				
Sales	$1,912,854	$ 37,925	$1,950,779	$1,675,274
Cost of sales	1,504,132	116,401	1,620,533	1,247,971
Gross profit (Note 8)	408,722	(78,476)	330,246	427,303
Donations	---	29,214	29,214	250
Service charges	108,445	---	108,445	77,757
Office rental income	63,658	---	63,658	48,335
Seat surcharge and interest	---	34,375	34,375	45,582
Gain on sale of fixed assets	2,599	---	2,599	3,928
	583,424	(14,887)	568,537	603,155
Expenditure:				
Interest expense	43,012	---	43,012	11,571
Depreciation expense	106,550	---	106,550	51,882
Building operating - Schedule 1	561,510	---	561,510	660,477
Administrative - Schedule 1	582,980	---	582,980	497,700
	1,294,052	---	1,294,052	1,221,630
Operating income (loss)	(710,628)	(14,887)	(725,515)	(618,475)
Grant - Family Foundation (a Saskatchewan government department)	700,000	---	700,000	500,000
Net loss	(10,628)	(14,887)	(25,515)	(118,475)
Fund balance, beginning of year				
As previously reported	(184,064)	321,081	137,017	227,911
Change in accounting policy (Note 3)	70,969	---	70,969	98,550
As restated	(113,095)	321,081	207,986	326,461
Fund balance, end of year to Statement 1	$ (123,723)	$ 306,194	$ 182,471	$ 207,986

(See accompanying notes)

Statement 3

SASKATCHEWAN CENTRE OF THE ARTS FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended March 31

	1991	1990
Cash provided by (used in):		
Operations:		
Net loss	$ (25,515)	$(118,475)
Items not involving cash:		
Depreciation	106,550	51,882
Gain on disposal of fixed assets	(2,599)	(3,928)
Change in non-cash operating working capital:		
Increase in accounts receivable	(35,858)	(63,032)
Decrease in grant receivable	200,000	200,000
Increase in inventory	(1,526)	(18,403)
Decrease (increase) in prepaid expenses	1,903	(8,000)
Increase in accounts payable and accrued charges	6,697	33,581
(Decrease) increase in advance sales and deposits	(215,701)	107,746
	33,951	181,371
Financing:		
Proceeds from long-term loan	250,000	---
Repayment of long-term loan	(31,260)	---
Additional obligations under capital leases	77,476	38,427
Principal payments under capital lease obligations	(16,432)	(7,500)
	279,784	30,927
Investments:		
Purchase of fixed assets	(360,451)	(56,841)
Proceeds on sale of fixed assets	2,599	5,541
	(357,852)	(51,300)
Increase (decrease) in cash and short term investments	(44,117)	160,998
Cash and short term investments, beginning of year	183,666	22,668
Cash, end of year	$ 139,549	$ 183,666

(See accompanying notes)

SASKATCHEWAN CENTRE OF THE ARTS FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 1991

1. Status of Centre

The Board of the Saskatchewan Centre of the Arts was established by The Saskatchewan Centre of the Arts Act, to maintain, operate and manage the Saskatchewan Centre of the Arts in Regina. The Act also established the Saskatchewan Centre of the Arts Fund through which all financial transactions are conducted which relate to accomplishing the purposes of the Act.

Effective April 1, 1988, the Board approved the creation of two components of the Fund; the Operating Fund and the Impresario Fund. The revenue and expenditures for each component are separately accounted for in the financial statements.

2. Significant Accounting Policies

These financial statements have been prepared on the accrual basis of accounting and include the following significant accounting policies:

a) Fund Accounting

The Centre follows fund accounting procedures in which a self-balancing group of accounts is provided for each Fund. The Operating Fund is used to account for routine operations of the Centre.

The Impresario Fund is used to promote the Arts and to finance projects as determined by the Board of Directors of the Saskatchewan Centre of the Arts. The following transactions are accounted for in the Impresario Fund: seat surcharge revenue, income from investment of the Impresario Fund and donations. In addition, any profits generated by projects financed by the Impresario Fund are credited to the fund. However, according to a Board resolution, the maximum balance to be retained in the Impresario Fund cannot exceed $500,000. Accordingly, any fund balance in excess of this amount is transferred to the Operating Fund at year end.

b) Grant Revenue

Grants from the Family Foundation (a Saskatchewan government department) are accrued in the current year if the necessary order-in-council authority is in place prior to the year end.

c) Depreciation

Depreciation is provided for using the straight-line method over a five year term.

d) Leased Equipment

Equipment under capital leases are initially recorded at the present value of minimum lease payments at the inception of the lease. Depreciation is provided for using the straight-line method over the term of the lease.

e) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis.

f) Donation Revenue

Donations are recorded as revenue when recovery is certain. Donations of fixed assets are recorded at their fair market value when acquired.

3. Change in Accounting Policy

The Saskatchewan Centre of the Arts has changed its method of recording fixed asset expenditures and depreciation. Formerly, fixed asset expenditures were reflected in the statement of revenue, expenditure and fund balance. No depreciation was provided for and fixed assets were recorded as an asset with a corresponding charge to equity in fixed assets. Fixed asset expenditures are now capitalized and depreciated over the useful life of the asset.

As well, the Saskatchewan Centre of the Arts has changed its method of recording assets under capital leases. Formerly, capital leases were not capitalized and depreciated. Instead the payments for assets under capital leases were reflected in the statement of revenue, expenditure and fund balance. Assets under capital leases are now capitalized at the inception of the lease and depreciated over the term of the lease.

These changes have been applied retroactively and have the following effect:

	1991	1990	
Increase in interest expenses	$ 13,116	$ 5,952	
Decrease in administrative expenses	29,548	11,839	
Depreciation expenses	106,550	51,882	
Elimination of purchase of fixed assets	282,975	18,414	
Decrease (increase) in net loss	192,857	(27,581)	
Accumulated depreciation as at March 31	925,839	1,136,706	
Obligation under capital lease as at March 31	122,749	61,706	
Equipment under capital lease as at March 31	150,903	73,427	
Elimination of equity in fixed assets as at March 31	1,161,511	1,195,953	(April 1, 1989 - $1,190,207)

4. Fixed Assets

	1991			1990
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment	$1,161,511	$ 890,089	$ 271,422	$ 74,552
Equipment under capital leases	150,903	35,750	115,153	58,123
	$1,312,414	$ 925,839	$ 386,575	$ 132,675

5. Building and Site

The building and site have been leased by the Saskatchewan Property Management Corporation (SPMC) to the Saskatchewan Centre of the Arts for an annual rental of one dollar. The terms of the lease provide for the Centre to keep the building, and all other property contained therein, in good repair and condition with the provision that any major maintenance, renovations and construction project costing in excess of $5,000 shall be the responsibility of SPMC. In addition, SPMC is responsible for charges by the Wascana Centre for services to the site and building as stipulated under The Wascana Centre Act.

6. Long-Term Loan

Long-term loan consists of demand bank loan which has been presented as a long term liability since established repayment terms extend beyond the next fiscal year. This loan was acquired during the year to finance the purchase of certain fixed assets. Principal outstanding at March 31, 1991 is $218,740. Principal portion due in one year is $62,520.

Payments are $5,210 per month plus interest at the bank's prime lending rate.

7. Long-term Obligations Under Capital Leases

Year Ending March 31:	1991	1990
1991	$ ---	$ 19,602
1992	40,912	19,602
1993	40,912	19,602
1994	37,162	15,852
1995	27,898	6,588
1996	18,627	1,750
1997	2,152	---
Total minimum lease payment	167,663	82,996
Less amount representing interest (at rates ranging from 11.25% to 14.75%)	44,914	21,290

Present value of net minimum capital lease payments	122,749	61,706
Current portion of obligations under capital leases	24,837	11,701
	$ 97,912	$ 50,005

Interest of $13,118 (1990 - $5,952) relating to capital lease obligations has been included in interest expense.

8. Segmented Information - Operating Fund

	1991			1990
	Theatre	Catering Convention Hall & Meeting Rooms	Total	Total
Sales:				
Catering	$ ---	$ 782,961	$ 782,961	$ 626,025
Refreshment bar	108,742	256,784	365,526	278,747
Rentals	110,708	214,576	325,284	303,098
Commissions	108,000	---	108,000	84,046
Car park	30,111	1,184	31,295	34,877
Coat check	10,499	3,585	14,084	19,511
Sundry	21,076	7,636	28,712	19,472
Service charges	175,893	81,099	256,992	239,402
	565,029	1,347,825	1,912,854	1,605,178
Cost of Sales:				
Food and beverages	29,468	381,902	411,370	328,818
Salaries and benefits	389,446	491,560	881,006	699,035
Supplies, services and maintenance	29,655	41,462	71,117	45,646
Other	100,902	39,737	140,639	117,670
	549,471	954,661	1,504,132	1,191,169
Gross Profit	$ 15,558	$ 393,164	$ 408,722	$ 414,009

9. Related Parties

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the Centre is related.

Except as otherwise disclosed, account balances resulting from these transactions are included in the balance sheet and are settled on normal trade terms.

Schedule 1

SASKATCHEWAN CENTRE OF THE ARTS FUND

SCHEDULE OF BUILDING OPERATING EXPENSES

Year Ended March 31

	1991	1990
Utilities	$ 254,379	$ 254,871
Contract cleaning services	21,964	118,942
Security services	55,760	101,967
Maintenance salaries	77,373	112,688
Maintenance supplies and expenses	74,230	72,009
Cleaners salaries	77,804	---
Total building operating expenses - to Statement 2	$ 561,510	$ 660,477

SCHEDULE OF ADMINISTRATIVE EXPENSES

Year Ended March 31

	1991	1990
Salaries and employee benefits	$ 325,603	$ 256,889
Office supplies and expense	81,299	98,578
Advertising	65,850	74,064
Telephone and telegraph	50,268	33,949
Promotion and subscriptions	27,604	7,352
Travel	9,057	7,442
Insurance and licenses	7,086	5,747
Board of Directors' travel and expenses	6,987	9,365
Payroll data processing	4,134	4,314
Other	5,092	---
Total administrative expenses - to Statement 2	$ 582,980	$ 497,700